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Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address	FOR COURT USE ONLY			
Illyssa I. Fogel, CA State Bar No. 145876				
ILLYSSA I. FOGEL & ASSOCIATES				
815 N. La Brea Ave., Suite 78 Inglewood, CA 90302				
V/F: 888.570.7220				
Email: ifogel@iiflaw.com				
☐ Individual appearing without attorney X Attorney for: Debtor				
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION				
In re:	CASE NO.: 2:16-bk-15322-RK			
	CHAPTER: 11			
CURTIS C. MAGLEBY,				
	NOTICE OF SALE OF ESTATE PROPERTY			
	NOTICE OF CALL OF LOTATE FROM ENTIRE			
Debtor(s).				
Sale Date: 02/26/2019	Time: 2:30 pm			
Location: Courtroom 1675, United States Bankruptcy Cou	irt, 255 East Temple Street, Los Angeles, CA 90012			
Type of Sale: Public Private Last date t	o file objections: 02/12/2019			
Description of property to be sold: Any and all interests in real property located at 1447 10th Street, Manhattan				
Beach, California 90266 (the "Property"); APN 4167-002-02				
Terms and conditions of sale: Sale is "as is, where is" with				
pursuant to 11 U.S.C. Sections 363(b) and (f). The sale is subject to Bankruptcy Court approval and overbids.				
Proposed sale price: \$ 2,500,000.00				

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): See attached Notice of Hearing and Overbid Procedures.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

February 26, 2019 2:30 p.m., Courtroom 1675 United States Bankruptcy Court 255 East Temple Street Los Angeles, California 90012

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Illyssa I. Fogel, Attorney for the Debtor ILLYSSA I. FOGEL & ASSOCIATES 815 N. La Brea Ave., Suite 78 Inglewood, CA 90302 V/F: 888.570.7220

Email: ifogel@iiflaw.com

Date: 01/31/2019

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1 2	Illyssa I. Fogel, CA State Bar No. 145876 ILLYSSA I. FOGEL & ASSOCIATES 815 N. La Brea Ave., Ste. 78 Inglewood, CA 90302				
3	V/F: 888.570.7220 Email: ifogel@iiflaw.com				
5	Attorney for Debtor-in-Possession				
6					
7					
8	UNITED STA	TES BANKRUPTCY COURT			
9	CENTRAL DISTRICT OF CALIFORNIA				
10	LOS ANGELES DIVISION				
11	In re:	Case No.: 2:16-bk-15322-RK			
12		Chapter 11			
13)	NOTICE OF HEARING ON DEBTOR'S MOTION FOR ORDER:			
14)	(1) AUTHORIZING SALE OF ESTATE REAL PROPERTY FREE AND CLEAR OF			
15)	INTEREST PURSUANT TO 11 U.S.C. §§ 363(b) AND (f);			
16		(2) APPROVING OVERBID PROCEDURES; (3) APPROVING BUYER, SUCCESSFUL BIDDER, AND BACK-UP BIDDER AS GOOD			
17		FAITH PURCHASERS PURSUANT TO 11			
18	CURTIS C. MAGLEBY,	U.S.C.§ 363(m); (4) AUTHORIZING PAYMENT OF UNDERLITED LIEUS, DEAL ESTATE			
20		UNDISPUTED LIENS, REAL ESTATE COMMISSIONS, AND OTHER ORDINARY			
21		COSTS OF SALE; and (5) PROVIDING PROCEDURES IN THE EVENT			
22		OF LACK OF COOPERATION OF MRS. MAGLEBY TO THE SALE			
23		[1447 10 TH STREET, MANHATTAN BEACH, CA 90266]			
24		Date: February 26, 2019			
25	Debtor-in-Possession.) Time: 2:30 p.m.) Ctrm: 1675			
26		Roybal Federal Building 255 E. Temple Street			
27		Los Angeles, CA 90012			
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		- 1 -			

NOTICE OF HEARING ON MOTION TO APPROVE SALE OF PROPERTY OF ESTATE

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TO: THE DEBTOR, ALL CRDITORS, THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL PARTIES IN INTEREST

NOTICE IS HEREBY GIVEN that on February 26, 2019, at 2:30 p.m., in Courtroom 1675 of the United States Bankruptcy Court located at 255 East Temple Street, Los Angeles, California 9001, a hearing will be held on the Debtor's Motion (the "Sale Motion") for Order (1) Authorizing Sale of Estate Real Property Free and Clear of Interest pursuant to 11 U.S.C. §§ 363(b) and (f); (2) Approving Overbid Procedures; (3) Approving Buyer, Successful Bidder, and Back-Up Bidder as Good faith Purchasers pursuant to 11 U.S.C. § 363(m); (4) Authorizing Payment of Undisputed Liens, Real Estate Commissions, and Other Costs of Sale and Establish Procedures for Selling Estate Real Property Located at 1447 10th Street, Manhattan Beach, California 90266 (the "Property"); and (5) Providing Procedures in the Event of the Lack of Cooperation of Mrs. Magleby to the Sale filed by Debtor-in-Possession Curtis C. Magleby ("Debtor" or "Mr. Magleby"), by and through his counsel of record, Illyssa I. Fogel & Associates. The Sale Motion is summarized below.

Summary

By this Sale Motion, the Debtor seeks to sell the real property referenced above for a purchase price of \$2,500,000, subject to overbid. As discussed below, the Debtor believes the purchase price represents the fair market value of the Property and the proposed sale is reasonable and in the best interest of the Estate. Moreover, the sale is subject to overbids in order to obtain the highest and best price.

Factual Background

On April 24, 2016 (the "Petition Date"), Curtis C. Magleby filed a voluntary petition (the "Petition") pursuant to Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"), and an Order for Relief has been entered by the Court. The Debtor is an individual, an investment banker, and the filing of this Chapter 11 arose due to the resistance he is, and has been, receiving from his estranged wife, Cindy S. Magleby ("Cindy" or "Mrs. Magleby"), in their marital dissolution proceeding, *Magleby v. Magleby*, LASC Case No. BD 612 825 (the "Dissolution Action"), particularly relating to the sale of their community property and the payment of child and spousal support.

The Debtor scheduled an interest in the residential real property located at 1447 10th Street, Manhattan Beach, California 90266 (the "Property"). The Debtor valued the Property at \$2.8 million. As of the date of the filing, the Property was subject to three liens, a first held by Bank of America (Mortgage Servicing/Merrill Lynch) in the original principal amount of \$1.1 million, a second deed of trust held by First Republic Bank in the original principal amount of \$400,000, a third deed of trust held by Charles Schwab Bank in the original principal amount of \$420,000, and a recorded interest, pursuant to a Notice of Independent Solar Energy System Producer Contract held by SunRun, Inc., for the lease of a solar energy system on the Property in an unknown amount, all totaling approximately \$1.9 million. Thus, there was approximately \$800,000 or \$900,000 in equity in the Property on the Petition Date.

On August 13, 2018, the Court entered its Order Approving Debtor's Application to Employ Vista Sotheby's International Realty, as Broker to Market and Sell Estate Real Property Located at 1447 10th Street, Manhattan Beach California 90266-6101. [Dkt. 537] The Debtor chose Kristen Novoa of Vista Sotheby's (the "Broker") to represent him in the sale of the Property based on her extensive experience in real estate sales, particularly in the Manhattan Beach, California, community. As set forth

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in the Broker Employment Application [Dkt. 495], the Debtor believes Ms. Novoa is well-qualified to assist in the sale of the Property.

The compensation to be paid to the Broker for the transaction is five percent (5%) of the gross sales price of the Property, but, in the event there is no cooperating broker, the sales commission will be four and one-half percent (4.5%) of the gross sales price to be paid to Ms. Novoa / Sotheby's. These commissions are customary rates for such services, even slightly below market, and the Debtor believes that these commissions are reasonable and necessary.

On September 7, 2018, the Court entered its Order Granting Debtor's Motion (the "Listing Motion") to Authorize Listing for Sale and Establish Procedures for Selling Estate Property, the Real Property Located at 1447 10th Street, Manhattan Beach, CA 90266 (the "Sale Authorization Order"). [Dkt. 542] The Listing Agreement presented for approval in the above-referenced Listing Motion, and attached to the Sale Motion as Exhibit A, had an addendum providing, among other points, that the sale would be subject to overbid if required by the Court, and the Sale Authorization Order did so provide. After the Sale Authorization Order was entered, the Broker began marketing the Property, and in October of 2018, it was listed in the Multiple Listing Service for sale. It was also placed into other publications relating to the sale of upscale properties and has been marketed internally at Sotheby's.

The Property was originally listed for \$2,749,000, but it was later reduced to \$2,699,000 in order to generate more interest. The Broker is continuing to market the Property for overbids.

According to the Preliminary Title Report (the "Title Report") prepared by Lawyers Title in Burbank, requested by Ms. Novoa and with an effective date of May 3, 2018, and a true and correct copy of which is attached to the declaration of the Debtor as Exhibit B, the following items have been recorded against the Property:

Recording Date	Lien Holder	Type of Encumbrance / Contract	Instrument Number	Original Lien / Claim Amount
5/19/2008	Merrill Lynch Credit *	Deed of Trust / Note / 1st	2008-934187	\$1,112,000
6/3/2008	First Republic Bank	Deed of Trust / Note / 2nd	2008-1275005	\$400,000
8/25/2008	Charles Schwab Bank	Deed of Trust / LOC	2008-1614750	\$420,000
1/28/ 2013	SunRun, Inc.	Solar Energy Lease	2013-139713	Unknown

* PHH Mortgage Corporation was the Authorized Agent for Merrill Lynch Credit Corporation. On September 18, 2017, Merrill Lynch Credit Corporation assigned its beneficial interest in the deed of trust to U.S. Bank National Association, recorded against the Property as Instrument Number 2017-1061371.

The Debtor paid the pre-petition real property taxes due on the Property and has been regularly paying the post-petition real property taxes on the Property as he agreed to do in the Stipulation with the Los Angeles County Treasurer and Tax Collector. He believes that any amount owed is minimal and should have little to no effect on the sale of the Property because any such amount will be paid in escrow.

The Proposed Sale

In or about mid-January of 2019, the Debtor received two offers on the Property, both for \$2.5 million. The Debtor accepted the offer of Shawn Danaei because of his acceptance of all terms in the counter-offer proposed by the Debtor.

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27 28 The salient terms of the sale are:

- 1. The purchase price (the "Purchase Price") is \$2.5 million;
- 2. The Buyer has made an initial cash deposit (the "Deposit") in the amount of \$75,000, and an escrow has been opened at Concierge Escrow;
 - 3. The Deposit is non-refundable except as provided in the Purchase Agreement (defined below);
- 4. The sale is "as is, where is, with all faults, including all occupants and tenants, if any, without recourse," but free and clear of any and all liens, claims, and interests, together with all improvements, as well as all easements and appurtenances pursuant to 11 U.S.C. §§ 363(b) and (f);
 - 5. The sale is subject to Bankruptcy Court approval; and
 - 6. The sale is subject to overbids.

The complete terms and conditions of the purchase and sale are set forth in the California Residential Purchase Agreement and Joint Escrow Instructions, together with the relevant counter offers other pertinent documents (collectively, the "Purchase Agreement") attached to the Sale Motion as Exhibit C.

Proposed Overbid Procedure

The Debtor proposes, and asks the Court to approve, the following procedure to allow for overbids prior to the Court's approval of the sale of the Property to ensure that the Property is sold for the highest and best possible price:

- 1. Qualifying bidders ("Qualifying Bidders") shall:
 - a. Bid at least \$2,510,000 in cash for the Property;
 - b. Set forth in writing the terms and conditions of the offer that are at least as favorable to the Debtor as those set forth in the Purchase Agreement attached to the Declaration of Curtis C. Magleby as Exhibit C;
 - c. Be financially qualified, in the Debtor's exercise of his sound business judgment, upon consultation with the Broker and his counsel, to close the sale as set forth in the Purchase Agreement:
 - d. Submit an offer that does not contain any contingencies to closing the sale, including, but not limited to, financing contingencies; and
 - e. Submit a cash deposit of \$75,000 (the "Overbid Deposit") payable to the Debtor, in the form of a cashier's check, which Overbid Deposit shall be nonrefundable if the bid is deemed to be the Successful Bid, as defined in paragraph 4, below. The Overbid Deposit, written offer, and evidence of financial qualification must be delivered to Debtor's counsel by no later than February 19, 2019, at 12:00 p.m. The address and other contact information of Debtor's counsel are listed in the upper left hand corner of the first page of this document.
- 2. At the hearing on the Sale Motion, only the Buyer and any party who is deemed a Qualifying Bidder shall be entitled to bid.
- 3. Any incremental bid in the bidding process shall be at least \$2,500 higher than the previous bid.
- 4. At the hearing on the Sale Motion, and upon conclusion of the bidding process, the Debtor shall decide, subject to Court approval, which of the bids is the best bid, and such bid shall be deemed the "Successful Bid." The bidder who is accepted by the Debtor as the successful

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bidder (the "Successful Bidder") must pay all amounts reflected in the Successful Bid in cash at the closing of the sale. At the hearing on the Sale Motion, and upon conclusion of the bidding process, the Debtor may also acknowledge a back-up bidder (the "Back-Up Bidder") which shall be the bidder with the next best bid. Should the Successful Bidder fail to close escrow on the sale of the Property within forty-five (45) days of the entry of the order granting this Sale Motion, the Debtor may sell the Property to the Back-Up Bidder without further Court order.

5. Overbids shall be all cash and no credit shall be given to the purchaser or overbidder(s).

Summary of Relief Sought by Sale Motion

Based on the foregoing, the Debtor respectfully requests that the Court:

- 1. Grant the Sale Motion;
- 2. Approve the terms of the Purchase Agreement attached to the Declaration of Curtis C. Magleby as Exhibit C, and authorizing the Debtor to sell the Property "as is," "where is," "with all faults," including any occupants or tenants;
- 3. Authorize the Debtor to sell the real property located at 1447 10th Street, Manhattan Beach, California 90266-6101 and as described legally in Exhibit B, attached to Declaration of Curtis C. Magleby, and as below, to the Successful Bidder or the Back-Up Bidder, for the sum of \$2.5 million, "as is," "where is," "with all faults," and without warranty or recourse;
- 4. Authorize the Debtor to sell the Property free and clear of any and all liens, claims, or interests, together with all improvements, as well as all easements and appurtenances, pursuant to 11 U.S.C. §§ 363(b), (f), and (h);
- 5. Based on the pleadings, determine that the Buyer, the Successful Bidder, and the Back-Up Bidder, are "good faith purchasers" within the meaning of 11 U.S.C. § 363(m);
- 6. Authorize the Debtor, in his discretion, to pay, through escrow, from the proceeds of the sale, and without further order of the Court, the broker's commission, the real property taxes and assessments prorated as of the close of escrow for the sale, any unpaid utility bills assessed against or liened upon the Property, and any escrow fees, title insurance premiums and other ordinary and typical closing costs and expenses payable by the Debtor pursuant to the Agreement or in accordance with local custom. The sales proceeds remaining after the payment of these items shall constitute the Net Sale Proceeds;
- 7. Authorize the Debtor to return any Bidding Deposits to any unsuccessful bidders;
- 8. Reserve the Debtor's rights to object to the validity, extent or scope, and priority of all liens, claims, and interests relative to the Property;
- 9. Approve the Overbid Procedures outlined in the Sale Motion;

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By:

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Illyssa 1. Fogel

Illyssa I. Fogel, Attorney for the Debtor

Legal Description ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS: LOT 24 IN BLOCK 8 OF REDONDO VILLA TRACT "B", IN THE CITY OF MANHATTAN BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11 PAGE 110 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. ASSESSOR'S PARCEL NUMBER: 4167-002-024 - 7 –

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In re: CURTIS C. MAGLEBY,		CHAPTER 11 CASE NUMBER 2:16-bk-15322-RK
	Debtor(s).	

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 815 N. La Brea Ave., No. 78, Inglewood, CA 90302 A true and correct copy of the foregoing document entitled: NOTICE OF SALE OF ESTATE PROPERTY [1447 10TH STREET, MANHATTAN BEACH, CA 90266] will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below: TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"): Pursuant to controlling General Orders and Local Bankruptcy Rules ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On January 31, 2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addresses indicated below: Service information continued on attached page SERVED BY UNITED STATES MAIL: On January 31, 2019, I served the following persons and/or entities at the last known address in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed. Judge's Copy (served by mail) - The Honorable Robert N. Kwan, United States Bankruptcy Judge, United States Bankruptcy Court, 255 E. Temple Street, Suite 1682, Los Angeles, CA 90012 Interest Holder's Copy (served by mail) - Cindy S. Magleby, 1447 10th Street, Manhattan Beach, CA 90266 Secured Creditor's Copy (served by mail) - Bank of America, PO Box 982238, El Paso, TX 79998-2238 Secured Creditor's Copy (served by mail) - First Republic Bank, 111 Pine Street, 3d Floor, San Francisco, CA 94111-5605 Secured Creditor's Copy (served by mail) - Charles Schwab Bank, c/o The Wolf Firm, 2955 Main Street, 2nd Floor, Irvine, CA 92614-5909 Service information continued on attached page SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on N/A I served the following person(s) and/or entity(ies) by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Illyssa 1. Fogel January 31, 2019 Illyssa I. Fogel Date Printed Name

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

2:16-bk-15322-RK Notice will be electronically mailed to:

Alan F Broidy on behalf of Attorney Alan F. Broidy - alan@broidylaw.com, sherrie@broidylaw.com

Alan F Broidy on behalf of Interested Party Courtesy NEF - alan@broidylaw.com, sherrie@broidylaw.com

Michael J Conway on behalf of Creditor Cindy Magleby - MConway@greenbass.com, mtyndall@greenbass.com;ecfnotification@greenbass.com

Michael J Conway on behalf of Defendant Cindy Magleby - MConway@greenbass.com, mtyndall@greenbass.com;ecfnotification@greenbass.com

Michael J Conway on behalf of Plaintiff Cindy Magleby - MConway@greenbass.com, mtyndall@greenbass.com;ecfnotification@greenbass.com

Illyssa I Fogel on behalf of Debtor Curtis C. Magleby - ifogel@iiflaw.com

Illyssa I Fogel on behalf of Defendant Curtis C. Magleby - ifogel@iiflaw.com

Illyssa I Fogel on behalf of Plaintiff Curtis C. Magleby - ifogel@iiflaw.com

Daniel K Fujimoto on behalf of Interested Party Courtesy NEF - wdk@wolffirm.com

Todd S Garan on behalf of Interested Party Courtesy NEF ch11ecf@aldridgepite.com, TSG@ecf.inforuptcy.com;tgaran@aldridgepite.com

Richard Girgado on behalf of Creditor County of Los Angeles Treasurer and Tax Collector rgirgado@counsel.lacounty.gov

Richard Girgado on behalf of Interested Party Courtesy NEF - rgirgado@counsel.lacounty.gov

Kenneth G Lau on behalf of U.S. Trustee United States Trustee (LA) - kenneth.g.lau@usdoj.gov

Angie M Marth on behalf of Creditor Bank of America, National Association, a national banking association, as successor in interest by merger to Merrill Lynch Credit Corporation - amarth@logs.com, ssali@logs.com

J. Barrett Marum on behalf of Creditor Banc of California, N.A. - bmarum@sheppardmullin.com, egarcia@sheppardmullin.com

William F McDonald, III on behalf of Creditor BANK OF AMERICA, N.A. - Caecf@tblaw.com, wfm@tblaw.com:snchampnev@tblaw.com

Reed M Mercado on behalf of Creditor Bank of America, National Association, a national banking association, as successor in interest by merger to Merrill Lynch Credit Corporation - rmercado@sheppardmullin.com

Douglas M Neistat on behalf of Creditor Cindy Magleby - dneistat@greenbass.com, rholland@greenbass.com;ecfnotification@greenbass.com

Douglas M Neistat on behalf of Defendant Cindy Magleby - dneistat@greenbass.com, rholland@greenbass.com;ecfnotification@greenbass.com

Allan D Sarver on behalf of Creditor Fried & Goldsman - ADS@asarverlaw.com

Joshua L Scheer on behalf of Creditor First Republic Bank - jscheer@scheerlawgroup.com

Ramesh Singh on behalf of Interested Party Recovery Management Systems Corporation - claims@recoverycorp.com

United States Trustee (LA) - ustpregion16.la.ecf@usdoj.gov

Sharon Z. Weiss on behalf of Creditor CB Franchise Systems, LLC - sharon.weiss@bryancave.com, raul.morales@bryancave.com

Lisa S Yun on behalf of Creditor Banc of California, N.A. - lyun@sheppardmullin.com, pchavez@sheppardmullin.com